

VI. CONCLUSION

Ultimately, the additional USF contributions that USAC seeks derive from three strained and legally unsound interpretations of the Universal Service Fund (“USF”) reporting rules. As shown above, USAC’s interpretations appear biased toward reclassifying revenue by erecting insurmountable burdens of proof on contributing carriers. These interpretations upset the balance of the Universal Service rules and will lead to increased costs for consumers of telecommunications services. XOCS respectfully requests that the Commission reverse USAC’s Audit Report as described above.

Respectfully submitted,



Brad E. Mutschelknaus
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Counsel for XO Communication Services, Inc.

December 29, 2010

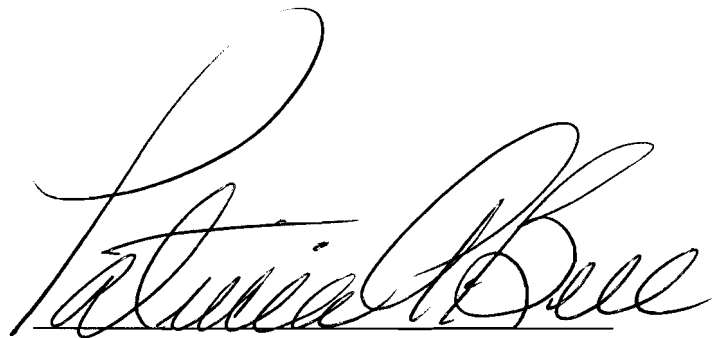
CERTIFICATE OF SERVICE

I, Patricia A. Bell, hereby certify that on this 29th day of December, 2010, I served a true and correct copy of the foregoing **XO Communication Services, Inc. Request for Review of Decision of the Universal Service Administrator** on the following by hand delivery:

Mr. Scott Barash
Acting Chief Executive Officer
Universal Service Administrative Corp.
2000 L Street, NW
Suite 200
Washington, D.C. 20036

Mr. Trent Harkrader
Division Chief
Telecommunications Access Policy Division
Federal Communications Commission
445 12th Street, SW
Washington, D.C. 20554

Ms. Vickie Robinson
Deputy Division Chief
Telecommunications Access Policy Division
Federal Communications Commission
445 12th Street, SW
Washington, D.C. 20554

A handwritten signature in black ink, appearing to read 'Patricia A. Bell', written over a horizontal line.

Patricia A. Bell

REDACTED FOR PUBLIC INSPECTION

EXHIBIT 1

**USAC Internal Audit Division Report on the Audit of XO
Communication Services, Inc. 2008 Form 499-A Rules Compliance**

(Excerpted Portions)

REDACTED FOR PUBLIC INSPECTION

EXHIBIT 1.A

**USAC Internal Audit Division Report on the Audit of XO
Communication Services, Inc. 2008 Form 499-A Rules Compliance**

REDACTED

REDACTED

REDACTED FOR PUBLIC INSPECTION

EXHIBIT 1.B

**USAC Internal Audit Division Report on the Audit of XO
Communication Services, Inc. 2008 Form 499-A Rules Compliance**

REDACTED

REDACTED

REDACTED FOR PUBLIC INSPECTION

EXHIBIT 1.C

**USAC Internal Audit Division Report on the Audit of XO
Communication Services, Inc. 2008 Form 499-A Rules Compliance**

REDACTED

REDACTED

REDACTED FOR PUBLIC INSPECTION

EXHIBIT 1.D

**USAC Internal Audit Division Report on the Audit of XO
Communication Services, Inc. 2008 Form 499-A Rules Compliance**

REDACTED

REDACTED

REDACTED FOR PUBLIC INSPECTION

EXHIBIT 1.E

**USAC Internal Audit Division Report on the Audit of XO
Communication Services, Inc. 2008 Form 499-A Rules Compliance**

REDACTED

REDACTED

EXHIBIT 2

**Letter from Colleen Grant, USAC, to Laura Amann, XOCS, dated
November 2, 2010**

November 2, 2010

Laura Amann
XO Communication Services, Inc
13865 Sunrise Valley Drive
Herndon, VA, 20171

RE: Final USAC Audit Report for XO Communication Services, Inc (Filer ID 822748)

Dear Ms. Amann:

Enclosed is a copy of the final audit report for XO Communication Services, Inc. On October 26, 2010, the USAC Board of Directors (Board) approved the final audit report. The final Board-approved audit report constitutes a final decision of the Administrator for purposes of seeking review from the Federal Communications Commission (FCC) in accordance with 47 C.F.R. § 54.719(c). This letter constitutes the first formal notice to XO Communication Services, Inc that the final audit report has been approved by the Board. This report contains an estimate of additional USF contributions currently due from XO Communication Services, Inc. This estimate may not reflect the actual amounts ultimately invoiced by USAC Financial Operations.

The filing deadline for requesting FCC review of the Administrator decision is set forth in 47 C.F.R. § 54.720(a) and provides that requests for review must be filed within sixty (60) days of "issuance" of the decision from which review is sought. The date of this letter shall constitute the date of issuance of the final audit report for purposes of seeking FCC review.

Please contact me if you have any questions.
Sincerely,

Colleen Grant
Senior Internal Auditor

Cc Wayne M. Scott, Vice President of Internal Audit Division
Leslie Bellavia, Senior Manager of Internal Audit Division
Michelle Garber, Direct of Financial Operations
Steven Augustino, Kelly Drye and Warren, LLP

REDACTED FOR PUBLIC INSPECTION

EXHIBIT 3

Declaration of Matthew Alexander

REDACTED

REDACTED FOR PUBLIC INSPECTION

EXHIBIT 4

Declaration of Earl Espejo

REDACTED

REDACTED FOR PUBLIC INSPECTION

EXHIBIT 5

Supporting Documentation for Reseller No. 1

REDACTED

REDACTED FOR PUBLIC INSPECTION

EXHIBIT 6

Supporting Documentation for Reseller No. 2

REDACTED

REDACTED FOR PUBLIC INSPECTION

EXHIBIT 7

Supporting Documentation for Reseller No. 3